

IN THE DISTRICT COURT OF THE UNITED STATES
FOR THE DISTRICT OF SOUTH CAROLINA
CHARLESTON DIVISION

UNITED STATES OF AMERICA	)	CRIMINAL NO. <u>2:19-6</u>
)	
	)	18 U.S.C. § 666
	)	18 U.S.C. § 1001(a)
	)	18 U.S.C. § 1956
	)	31 U.S.C. § 5324
v.	)	18 U.S.C. § 981(a)(1)(C)
	)	18 U.S.C. § 982(a)(1)
	)	31 U.S.C. § 5317
	)	28 U.S.C. § 2461(c)
)	
GARY BLAIR SHAFFER)	
)	
	)	INDICTMENT

COUNT 1
(THEFT OF FEDERAL FUNDS)

THE GRAND JURY CHARGES:

1. Between on or about September 12, 2015 and September 19, 2015, in the District of South Carolina, the Defendant, **GARY BLAIR SHAFFER**, being the Chief of Police for the City of Manning and an agent of the City of Manning, said City of Manning receiving from June 2015 through June 2016 benefits in excess of \$10,000, under various Federal programs providing grants and assistance, stole property worth at least \$5,000 under the care, custody, and control of the City of Manning.

In violation of Title 18, United States Code, Section 666.

COUNT 2
(MONEY LAUNDERING)

THE GRAND JURY FURTHER CHARGES:

2. From on or about September 19, 2015 through November 11, 2015, in the District of South Carolina, the Defendant, **GARY BLAIR SHAFFER**, with the intent to conceal and disguise the source, ownership and control, of property believed to be the proceeds of specified unlawful activity, did knowingly conduct and attempt to conduct financial transactions affecting interstate or foreign commerce involving property represented by law enforcement officers of the City of Manning, to be proceeds of specified unlawful activity, to wit: distribution of controlled substances.

In violation of Title 18, United States Code, Section 1956(a)(3)(B).

COUNT 3
(STRUCTURING)

THE GRAND JURY FURTHER CHARGES:

3. Title 31, United States Code, Section 5313 and the regulations promulgated thereunder require any financial institution that engages in a currency transaction (*e.g.*, a deposit or withdrawal) in excess of \$10,000 with a customer to report the transaction to the Department of the Treasury by filing a Currency Transaction Report (CTR). These regulations also require that multiple transactions be treated as a single transaction if the financial institution has knowledge that they are by, or on behalf of, the same person, and they result in either currency received or disbursed by the financial institution totaling more than \$10,000 during any one business day.

4. CTRs are often used by law enforcement to uncover a wide variety of illegal activities such as money laundering. Many individuals engaged in such illegal activities are aware of such reporting requirements and take active steps to cause financial institutions to fail to file CTRs, such as, for example, making multiple cash deposits in amounts less than \$10,000 on the same day or on consecutive days. These active steps are often referred to as structuring. Structuring cash deposits to avoid triggering the filing of a CTR by a financial institution is prohibited by Title 31, United States Code, Section 5324(a).

5. Between September 19, 2015 and November 11, 2015, the Defendant, **GARY BLAIR SHAFFER**, deposited or caused to be deposited \$78,514 in cash into multiple accounts belonging to **GARY BLAIR SHAFFER** and his wife.

6. When the deposits were made, **GARY BLAIR SHAFFER** knew of the reporting requirements for cash transactions in excess of \$10,000. To avoid having a CTR filed, **GARY BLAIR SHAFFER** structured the deposits in amounts less than \$10,000, as set forth below:

DATE	AMOUNT
September 19, 2015	5,000
September 19, 2015	3,000
September 19, 2015	2,900
September 19, 2015	5,000
September 20, 2015	2,310
September 20, 2015	1,860
September 21, 2015	1,000
September 21, 2015	1,000

September 21, 2015	1,000
September 21, 2015	1,000
September 21, 2015	1,000
September 21, 2015	1,000
September 21, 2015	1,240
September 21, 2015	1,000
September 21, 2015	1,000
September 21, 2015	1,000
September 21, 2015	1,000
September 28, 2015	1,000
September 28, 2015	1,000
October 2, 2015	1,000
October 2, 2015	470
October 2, 2015	250
October 3, 2015	1,000
October 3, 2015	1,000
October 3, 2015	380
October 4, 2015	580
October 4, 2015	980
October 4, 2015	1,000
October 4, 2015	1,300
October 4, 2015	1,000

October 4, 2015	780
October 7, 2015	1,000
October 15, 2015	900
October 21, 2015	1,080
October 21, 2015	580
October 21, 2015	1,020
October 21, 2015	1,000
October 21, 2015	1,000
October 22, 2015	740
October 22, 2015	1,000
October 22, 2015	760
October 22, 2015	1,000
October 22, 2015	1,000
October 23, 2015	1,000
October 23, 2015	1,000
October 23, 2015	980
October 24, 2015	1,000
October 24, 2015	1,000
October 24, 2015	940
October 27, 2015	2,630
October 27, 2015	1,000
October 27, 2015	1,000

October 27, 2015	1,000
October 27, 2015	1,000
October 27, 2015	480
October 28, 2015	1,000
October 28, 2015	830
October 28, 2015	270
October 28, 2015	910
October 28, 2015	1,480
October 28, 2015	1,000
October 28, 2015	870
October 28, 2015	510
October 28, 2015	200
November 7, 2015	1,000
November 7, 2015	960
November 7, 2015	247
November 10, 2015	500
November 10, 2015	500
November 10, 2015	500
November 10, 2015	500
November 10, 2015	77

7. From on or about September 19, 2015, to on or about November 11, 2015, in the District of South Carolina, the Defendant, **GARY BLAIR SHAFFER**, did unlawfully and

knowingly and for the purpose of evading the reporting requirements of Title 31, United States Code, Section 5313(a), and the regulations promulgated thereunder, structure, assist in structuring, and attempt to structure, transactions with a domestic financial institution, and cause and attempt to cause such institution to fail to file Currency Transaction Reports required by Section 5313 for currency transactions in excess of \$10,000.

In violation of Title 31, United States Code, Sections 5324(a)(3) and 5324(d).

COUNT 4
(FALSE STATEMENT)

THE GRAND JURY FURTHER CHARGES:

8. On or about December 2, 2016, in the District of South Carolina, the defendant, **GARY BLAIR SHAFFER**, did willfully and knowingly make and cause to be made a materially false, fictitious, and fraudulent statement and representation in a matter within the jurisdiction of a department or agency of the United States by claiming to a Special Agent of the Federal Bureau of Investigation that the cash he deposited from September 19, 2015 through November 11, 2015 was money he received from his brother. The statement and representation was false because, as **GARY BLAIR SHAFFER** then and there knew, he stole the money from the Manning Police Department.

In violation of Title 18, United States Code, Section 1001(a).

COUNT 5
(FALSE STATEMENT)

THE GRAND JURY FURTHER CHARGES:

9. On or about February 3, 2017, in the District of South Carolina, the defendant, **GARY BLAIR SHAFFER**, did willfully and knowingly make and cause to be made a materially false, fictitious, and fraudulent statement and representation in a matter within the jurisdiction of a department or agency of the United States by claiming to a Special Agent of the Federal Bureau of Investigation that the cash he deposited from September 19, 2015 through November 11, 2015 was money he had saved. The statement and representation was false because, as **GARY BLAIR SHAFFER** then and there knew, he stole the money from the Manning Police Department.

In violation of Title 18, United States Code, Section 1001(a).

FORFEITURE**THEFT OF FEDERAL FUNDS:**

Upon conviction for violation of Title 18, United States Code, Section 666, as charged in Count 1 of this Indictment, the Defendant, **GARY BLAIR SHAFFER**, shall forfeit to the United States any property, real or personal, which constitutes or is derived from any proceeds the Defendant obtained, directly or indirectly, as the result of such violations and any property traceable to such property.

MONEY LAUNDERING:

Upon conviction for violation of Title 18, United States Code, Section 1956, as charged in Count 2 this Indictment, the Defendant, **GARY BLAIR SHAFFER**, shall forfeit to the United States any property, real or personal, constituting, derived from or traceable to proceeds the Defendant obtained directly or indirectly as a result of such offenses and any property, real or personal, involved in a transaction or attempted transaction in violation of 18 U.S.C. § 1956, as charged in the Indictment, or any property traceable to the offense.

STRUCTURING:

Upon conviction for violation of Title 31, United States Code, Section 5324 as charged in Count 3 of this Indictment, the Defendant, **GARY BLAIR SHAFFER**, shall forfeit to the United States any property used or intended to be used, in any manner or part, to commit or facilitate the commission of the offense.

PROPERTY:

Pursuant to Title 18 United States Code, Sections 981(a)(1)(C) and 982(a)(1); Title 31 United States Code, Section 5317; and Title 28 United States Code, Section 2461(c), the property

which is subject to forfeiture upon conviction of the Defendant includes, but is not limited to, the following:

(1) Proceeds/Forfeiture Judgment:

A sum of money equal to all proceeds the Defendant obtained directly or indirectly from the theft of federal funds offense charged in the Indictment, and all interest and proceeds traceable thereto, for which the Defendant is liable as the result of his violation of 18 U.S.C. § 666.

(2) Facilitating Property/Forfeiture Judgment:

A sum of money equal to all property involved in and/or used or intended to be used in the money laundering and structuring offenses charged in the Indictment, and all interest and proceeds traceable thereto, for which the Defendant is liable as the result of his violation of 18 U.S.C. § 1956 and 31 U.S.C § 5324.

SUBSTITUTE ASSETS:

If any of the property described above as being subject to forfeiture, as a result of any act or omission of the Defendant –

- (1) cannot be located upon the exercise of due diligence;
- (2) has been transferred or sold to, or deposited with, a third person;
- (3) has been placed beyond the jurisdiction of the Court;
- (4) has been substantially diminished in value; or
- (5) has been commingled with other property which cannot be subdivided without difficulty;

it is the intent of the United States, pursuant to Title 18, United States Code, Section 982(b)(1), [incorporating Title 21, United States Code, Section 853(p)], to seek forfeiture of any other property of the said Defendant up to the value of the above forfeitable property.

Pursuant to Title 18 United States Code, Sections 981(a)(1)(C) and 982(a)(1); Title 31 United States Code, Section 5317; and Title 28 United States Code, Section 2461(c).

A True Bill

[REDACTED]

FOREPERSON

Sherril A. Lydon
SHERRI A. LYDON (WCL, BBA)
UNITED STATES ATTORNEY

RECORD OF GRAND JURY BALLOT

C/ 2-19-6

THE UNITED STATES OF AMERICA V. GARY BLAIR SHAFFER
(SEALED UNTIL FURTHER ORDER OF THE COURT)